

**File #:**

62-116464

**Serial Scope:**

166-196

CODE

TELETYPE

IMMEDIATE

TO: SAC, LOS ANGELES

DECEMBER 2, 1975

FROM: DIRECTOR, FBI

1 - Mr. T. J. McNiff  
1 - Mr. T. J. Seabaugh

HOUSTUDY

THE U. S. HOUSE OF REPRESENTATIVES SELECT COMMITTEE ON INTELLIGENCE HAS REQUESTED SPECIFIC MATERIAL CONCERNING DARTHARD MAURICE EDWARD PERRY. BUREAU FILES CONTAIN INSUFFICIENT INFORMATION TO COMPLY WITH A PORTION OF THIS REQUEST.

YOU ARE REQUESTED TO SUBMIT BY RETURN MAIL AN AIRTEL AND LETTERHEAD MEMORANDUM SUMMARIZING INFORMATION FURNISHED BY PERRY CONCERNING THE BLACK PANTHER PARTY AND THE WATTS WRITERS WORKSHOP IN LOS ANGELES. INCLUDE ANY SPECIFIC MATERIAL CONCERNING THE GUIDANCE, DIRECTION, AND TARGETING OF PERRY BY AGENTS TO PENETRATE THESE TWO GROUPS.

1 - 157-20684

TJS:kl  
(5) ALL INFORMATION CONTAINED  
HEREIN IS UNCLASSIFIED

SEE NOTE PAGE TWO

DATE 3/19/81 BY SP-4 bds/etj/rs

REC-2

157-20684-151  
UNRECORDED COPY FILED IN

- Assoc. Dir. \_\_\_\_\_
- Dep. AD Adm. \_\_\_\_\_
- Dep. AD Inv. \_\_\_\_\_
- Asst. Dir.:
- Admin. \_\_\_\_\_
- Comp. Syst. \_\_\_\_\_
- Ext. Affairs \_\_\_\_\_
- Files & Com. \_\_\_\_\_
- Gen. Inv. \_\_\_\_\_
- Ident. \_\_\_\_\_
- Inspection \_\_\_\_\_
- Intell. \_\_\_\_\_
- Laboratory \_\_\_\_\_
- Plan. & Eval. \_\_\_\_\_
- Spec. Inv. \_\_\_\_\_
- Training \_\_\_\_\_
- Legal Coun. \_\_\_\_\_
- Telephone Rm. \_\_\_\_\_
- Director Sec'y \_\_\_\_\_

FEDERAL BUREAU OF INVESTIGATION  
COMMUNICATIONS SECTION

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PAGE TWO

NOTE:

Captioned individual was an extremist informant of the Los Angeles Office from February 12, 1974, to March 31, 1975. Perry has alleged that as a former FBI source he was ordered to enter the Office of California Assemblyman Leon Ralph, remove documents, video tape the Office, and tap the telephones of Ralph, Lieutenant Governor Dymally, and John Gardner. Perry's allegations have been denied by handling Agents. The U. S. House of Representatives Select Committee on Intelligence has requested specific material concerning Perry, and Bureau files do not contain sufficient data to comply with this request. Los Angeles Office being requested to provide material pertinent to this request.

UNITED STATES GOVERNMENT

# Memorandum

- Assoc. Dir. \_\_\_\_\_
- Dep. AD Adm. \_\_\_\_\_
- Dep. AD Inv. \_\_\_\_\_
- Asst. Dir.:
- Admin. Serv. \_\_\_\_\_
- Comp. Syst. \_\_\_\_\_
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- Spec. Inv. \_\_\_\_\_
- Training \_\_\_\_\_
- Telephone Rm. \_\_\_\_\_
- Director Sec'y \_\_\_\_\_

TO : MR. JENKINS

DATE: 11-25-75

FROM : E. W. WALSH

*Handwritten initials*

SUBJECT: INTERVIEW BY MESSRS. RICHARD VERMEIRE  
AND TIMOTHY OLIPHANT OF PIKE COMMITTEE  
3:10 PM TO 5:05 PM, NOVEMBER 25, 1975

Messrs. Richard Vermeire and Timothy Oliphant representing the Pike Committee called at my office at 3:10 P.M. today and departed at 5:05 P.M. They commenced their interview by asking for a general run down on how procurement is handled within the FBI. In general, I explained that we adhered to the Federal procurement regulations. They asked for a copy of these regulations and I advised them that this would be furnished to them. I also advised as to the delegation of authority by the Attorney General to the Assistant Attorney General for Administration and the redelegation of his authority to the Director to enter into contracts with certain limitations. I explained that the Director had redelegated his authority in accordance with regulations to certain named Bureau officials, including myself, and that I was generally responsible to serve as the Bureau contract officer. They asked what the biggest contract was that I had ever administered and I advised them that it would be the FINDER contract amounting to just under 5 million dollars. They did not understand the difference between procurement authority and authority to enter into contracts and although reference was made to procurements they did not pursue this and eventually centered on contracts with U. S. Recording Company. In response to their specific questions, I advised that I was not acquainted with Mr. Tate, President of U. S. Recording and I had never met him. They wanted to know whether I was aware of any specific documents which would show the origin of the Bureau's relationship with U. S. Recording and I responded that I knew of none. They asked how the Bureau would select an individual or a firm to whom a confidential contract would be awarded. I answered that it appeared to me this would be based upon experience, prior relationship which demonstrated ability to act responsibly in connection with a confidential contract, experience within the intelligence community and the like. I advised there were no written guidelines to this effect but that was my own feeling as to how a confidential relationship was developed. As to confidential contracts which I had signed as Contracting Officer, I advised that I recalled only one contract where I was the Contracting Officer with U. S. Recording and that was a contract executed in June, 1975, in the amount of approximately \$168,000. They asked how I went about entering into this contract and I responded that I observed the Federal procurement regulations and the guidelines of the Department of Justice and that the contract had been personally approved by the Attorney General. They did not ask and I did not furnish them any information as to the subject matter of the contract.

REC-2 62-1142-195  
DEC 5 1975

EWW:jlk (2)

EX 104

OVER. *Handwritten initials*

84 DEC 9 1975

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

Mémorandum for Mr. Jenkins

Re: Interview by Messrs. Richard Vermeire  
and Timothy Oliphant of Pike Committee  
3:10 PM to 5:05 PM, 11-25-75

They then entered into a discussion as to my recollection of who preceded me as Assistant Director of the Administrative Division and I advised them that I had been preceded by N. P. Callahan, who in turn had been preceded by John P. Mohr and before him Mr. Glavin. They asked about Mr. Mohr's other positions in the Bureau and when I responded that he had been Assistant to the Director (Administrative) prior to his retirement, one of them interjected a comment to the effect that wasn't Mr. Mohr an Administrative Assistant to Mr. Tolson at one time and I acknowledged that this was so. He wanted to know as to my relationship with Mr. Mohr and I advised that I had never been to his home nor he to mine with one exception and that was the occasion of Mr. Mohr's daughter's wedding when I did briefly visit Mr. Mohr's home. They asked whether I had seen any of the gifts that had been given Mr. Mohr upon his retirement and they particularly mentioned two gold-plated 38 caliber revolvers fashioned into bookends. I stated I had no recollection of ever having seen these bookends. They then asked whether we in the FBI customarily gave departing officials gifts. I responded that departing Assistant Directors and above were presented with their badges suitably mounted, a retirement plaque (which I described) and gold cuff links, the latter being the gift of their colleagues. They asked as to other retirement gifts that might be given to departing officials and what part I might have played in that type of thing. I stated that there was a custom in the Administrative Division and I thought quite generally in other divisions that on the last day of a retiring employee's service we would have a coffee and cake gathering in a suitable room within a division, covering the last two hours of the working day, at which time friends and associates would call, some of whom would present little departing gifts. They wanted to know what I did personally about this and I said I would present the book of letters to the departing employee and that it was customary to give the retiring employee a gift from his colleagues, which in my division amounted to something purchased on the basis of a voluntary contribution from the Agent colleagues in the division amounting to approximately \$1.00 a man. This would enable us to buy something like a camera, binoculars, miniature radio or something of that type and in my judgment this is what we all wanted to do on the occasion of a retirement and it was a rather spontaneous and enthusiastic thing and I felt all shared in my judgment that this was a fine thing to do. They wanted to know what gifts Mr. Mohr was given upon his retirement. I advised I couldn't really recall any specific gifts he had received and I knew nothing about the pistols to which reference is made above.

They then took the tack of inquiring about how close current Bureau officials are with Mr. Mohr. I stated I really could not respond to that. I did know that he had an acquaintanceship with current and past officials, but to what extent I could not say. They wanted to know if I had ever played poker at a lodge outside of Harpers Ferry, West Virginia (which incidentally they indicated burned to the ground last week). I responded that I had not and that I had turned down two or three invitations to play. They wanted to know why I turned down these invitations and I responded that Mr. Mohr

Memorandum for Mr. Jenkins

Re: Interview by Messrs. Richard Vermeire  
and Timothy Oliphant of Pike Committee  
3:10 PM to 5:05 PM, 11-25-75

had asked me on two or three occasions to substitute for the regular card players knowing that I had formerly played a lot of poker and that the only reason I declined was frankly that my wife was not in favor of my staying away from home to play cards and I felt that she is entirely right in this regard. They wanted to know who all participated in these card games and I advised that I just did not know who all played. They wanted to know what the financial arrangements were and I stated the only thing that I knew was what Mr. Mohr told me on one occasion when he asked me to substitute and that was that each one payed \$25.00, which covered the room and food for an over-night stay at the lodge, usually on a Friday night and extending into Saturday morning. They wanted to know if Mr. Tate was in attendance at these card games and I stated I did not know.

They then wanted to know whether we had any regulations dealing with conflict of interest or the acceptance of gratuities. I stated that we followed Executive Order 11222, dated 5-8-65, and departmental regulations as published in the Federal Register. I furnished them copies of these documents. They wanted to know whether from my own standpoint I thought it was ever proper to accept any type of gratuity from a person or firm with which the FBI did business. I stated that I felt any type of gratuity would be improper and that I personally had never accepted as much as a cup of coffee from anyone with whom the FBI is doing business. Oliphant hastened to inject the comment that I was not to read any implication into their question as they certainly had no intention of suggesting that I had accepted any gratuities from anybody. They pressed me as to whether there would be any exception to this and I indicated that the exception was laid out in the Executive Order regarding food and beverage under certain limited circumstances. They wanted to know who paid the expenses when Bureau officials took trips in connection with the awarding of contracts. They were advised that Bureau officials would be considered and properly so to be in an official duty status and per diem was paid in accordance with standard Government travel regulations. They wanted to know if there was such a thing as a higher rate of per diem for officials and I explained that there was and outlined the controls we have governing the payment of the higher rate of per diem.

They then went back to the subject of purchases and contracts with U. S. Recording and wanted to know who determined whether the mark-up on such purchases was reasonable. I responded that as far as I was concerned the determination of reasonableness was based upon the judgment of Laboratory Division experts who were aware of the going price for specific items, particularly in the electronics field and it was my understanding that we were talking about a mark-up that generally would not exceed 15% and probably would be less. They wanted to know whether I had ever audited the books of U. S. Recording or had such an audit conducted so as to determine

Memorandum for Mr. Jenkins

Re: Interview by Messrs. Richard Vermeire  
and Timothy Oliphant of Pike Committee  
3:10 PM to 5:05 PM, 11-25-75

what the mark-up was. I responded that I had not and in response to their further questioning indicated that as Contracting Officer in the one contract where I acted as such I relied on the judgment of Laboratory Division experts that the price was reasonable. They asked whether I had ever made a survey to determine the history of the development of our relationship with U. S. Recording. I stated that I had not. I asked them whether they were addressing this type of inquiry to anyone else within the Bureau and they responded that they were and were asking for available documentation.

They returned to the subject of Mr. Mohr's current relationship with Bureau officials and I responded that I knew Mr. Mohr had an acquaintanceship with some Bureau officials and to what extent I just was not in a position to say. They wanted to know whether I had ever visited in Mr. Callahan's home and he in mine. I replied that we had not visited in each others' homes and that our social relationship was principally through our attendance at dinners and other functions where we were both invitees but that I considered Mr. Callahan as both a friend and associate and I thought his feelings towards me were the same.

I took the occasion to comment to Messrs. Vermeire and Oliphant that I definitely did not appreciate the comments made by their Chief Counsel Mr. Searle when I testified in open hearings before the Pike Committee to the effect that the FBI had engaged in delaying tactics and were uncooperative in furnishing information requested by the Committee. I pointed out that at that particular time the Pike Committee requests pertained to the Bureau's budgetary process for which I was responsible and that as they well knew my staff and I worked long hours overtime and through the weekend in order to give timely responses to their inquiries within the very short deadlines they imposed upon us. They expressed their appreciation for our efforts and stated that Searle's expressed opinions did not represent their own.

RECOMMENDATION:

None. The foregoing is submitted to record the interview. As I did not take notes during the interview, the above was dictated from recollection immediately upon the departure of Messrs. Vermeire and Oliphant.

rw





UNITED STATES GOVERNMENT

# Memorandum

TO : Mr. J. B. Adams

FROM : Legal Counsel

SUBJECT: HOUSTUDY

*JBM*  
*JOS*

- 1 - Mr. Mintz
- 1 - Mr. Wannall
- 1 - Mr. Cregar
- DATE: 11/25/75
- 1 - Mr. Hotis
- 1 - Mr. Daly

- Assoc. Dir. \_\_\_\_\_
- Dep. AD Adm. \_\_\_\_\_
- Dep. AD Inv. \_\_\_\_\_
- Asst. Dir.:
- Admin. *[initials]*
- Comp. Syst. \_\_\_\_\_
- Ext. Affairs \_\_\_\_\_
- Files & Com. \_\_\_\_\_
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- Telephone Rm. \_\_\_\_\_
- Director Sec'y \_\_\_\_\_

On 11/24/75, Richard Vermeire, Staff Member of the House Select Committee, requested that Assistant Director Eugene W. Walsh be made available for interview concerning his knowledge of awarding of purchase contracts by the Bureau. Arrangements were made through Assistant Director John A. Mintz for the interview to be at 3 p.m. on 11/25/75 in Bureau space.

Vermeire was advised of the aforementioned.

RECOMMENDATION:

For information.

*[Handwritten signatures and initials: JBM, JAS, etc.]*

REC-21

62-116464-194

EX 104

DEC 2 1975

1 - Personnel File - Eugene W. Walsh

lad  
(9)

*[Handwritten signature]*

84 1975

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan



UNITED STATES GOVERNMENT

# Memorandum

TO : Mr. J. B. Adams

DATE: 11/19/75

FROM : Legal Counsel *[Signature]*

SUBJECT: HOUSE SELECT COMMITTEE on Intelligence

- Assoc. Dir. \_\_\_\_\_
- Dep. AD Adm. \_\_\_\_\_
- Dep. AD Inv. \_\_\_\_\_
- Asst. Dir.:
- Admin. \_\_\_\_\_
- Comp. Syst. \_\_\_\_\_
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- Plan. & Eval. \_\_\_\_\_
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- Training \_\_\_\_\_
- Telephone Rm. \_\_\_\_\_
- Director Sec'y \_\_\_\_\_

On the early morning of November 19, 1975, Joe Tait, telephone number 488-3900, telephonically advised me that he has been requested to appear for a staff interview under oath by representatives of the House Select Committee on November 20, 1975. Mr. Tait said that he was advised by the staff to have a lawyer with him at the interview. He said he did not know the reason for such advice, but intended to attempt to engage counsel to be present with him on November 20, 1975. He said that he intended to employ James Gale and he asked me whether the FBI would have any objection to such an arrangement in view of the fact that Mr. Gale formerly was an Assistant Director of the FBI. I told Mr. Tait that it was my understanding that Mr. Gale was presently practicing law and that I saw no reason for the FBI to interpose an objection should Mr. Tait desire to engage Mr. Gale as his counsel for whatever reason.

Mr. Tait asked me if I had any advice for him. I responded that should he engage counsel my advice would be to discuss the matters which may arise in the interview with his attorney and to be guided by his attorney's advice. I told Mr. Tait that requests for staff interviews called for a voluntary appearance for the witness unless a subpoena has been issued. He said that he has not received a subpoena, but only a request.

At 10:05 a.m., November 19, 1975, former Assistant Director James Gale called my office and in my absence he advised that Joe Tait had been in touch with him concerning Tait's request for legal counsel in connection with his appearance before the Pike Committee. Mr. Gale expressed some concern that if he were to represent Mr. Tait, the Committee staff could learn that he was formerly associated with the FBI

- 1 - Mr. Wannall (Attn: Mr. Cregar)
- 1 - Mr. Bassett
- 1 - Mr. Walsh
- 1 - Mr. Hotis
- 1 - Mr. Mintz

EX-104

REC-2

REC-62-116464-193

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JAM:mfd

5 DEC 19 1975

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FBI - MEMPHIS

Memorandum to Mr. Adams  
Re: House Select Committee

and could turn to questioning him. He was reminded that such requests would require voluntary responses by a witness unless a subpoena had been issued and <sup>he</sup> indicated he was well aware of those circumstances. The decision whether he would or should represent Mr. Tait<sup>is</sup> was left entirely with Mr. Gale.

RECOMMENDATION:

For information.

*or*

*has*  
*done*

*KH*

*can*

*John*

*wed*

*JM*

|| \* Tait has engaged Brian Bettings as his attorney.  
*msl*

SECRET

UNITED STATES GOVERNMENT

# Memorandum

- 1 - Mr. J. B. Adams
- 2 - Mr. J. A. Mintz  
(1 - Mr. D. W. Bowers)

- Assoc. Dir. \_\_\_\_\_
- Dep. AD Adm. \_\_\_\_\_
- Dep. AD Inv. \_\_\_\_\_
- Asst. Dir.:
- Admin. \_\_\_\_\_
- Comp. Syst. \_\_\_\_\_
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- Plan. & Eval. \_\_\_\_\_
- Spec. Inv. \_\_\_\_\_
- Training \_\_\_\_\_
- Telephone Rm. \_\_\_\_\_
- Director Sec'y \_\_\_\_\_

TO : Mr. W. R. Wannall

DATE: 11/10/75

FROM : W. A. Branigan

- 1 - Mr. D. W. Moore
- 1 - Mr. W. R. Wannall
- 1 - Mr. W. O. Cregar
- 1 - Mr. W. A. Branigan
- 1 - Mr. J. M. Fox

SUBJECT: ALLEGATIONS OF SOVIET  
PENETRATIONS ON CAPITOL HILL  
INTERNAL SECURITY - RUSSIA

*H. Huntley*

This recommends that the attached letter be sent to the Attorney General with a recommendation that it be delivered to Congressman Otis G. Pike in response to Congressman Pike's request of 11/5/75.

By letter dated 11/5/75, addressed to Mr. Michael Shaheen, Jr., Special Counsel for Intelligence Coordination, Department of Justice, and forwarded to FBI Director Clarence M. Kelley, Congressman Otis G. Pike, Chairman of the House Select Committee on Intelligence, requested information regarding "alleged and confirmed" incidents of Soviet-bloc penetrations of Congressional staffs. The letter asked for all information concerning "Soviet agents and American citizens and foreign nationals who pass information to enemy intelligence agents."

Regarding individuals acting as Soviet agents who may have actually penetrated Congressional staffs without prior FBI knowledge, only the Weevil case falls into this category. This case involved a U. S. citizen, Kenneth R. Tolliver, who was employed by Senator Eastland's office during 1968 and who later admitted to the FBI that he furnished sensitive information to the Soviets which he had obtained while employed for Senator Eastland. FBI representatives discussed this matter on several occasions with Senator Eastland on a confidential basis and Tolliver's employment was subsequently terminated by Senator Eastland. In addition, Tolliver's value to the Soviets was destroyed by a joint FBI-CIA operation against him and his Soviet principal. In view of privacy considerations involving Senator Eastland and others, however, it is felt the specific details of this case should not be made available to the House Committee.

REC-7 62-116464-192

Enclosure

CONTINUED - OVER

SECRET

JMF:dan  
(9)

Classified by 5683  
Exempt from GDS, Categories 2 and 3  
Date of Declassification Indefinite

*5-8*

*62-116464*

ENCLOSURE



SECRET

Memorandum to Mr. W. R. Wannall  
Re: Allegations of Soviet  
Penetrations on Capitol Hill

We know of no other "American citizens and foreign nationals" who may have improperly passed sensitive information to Soviet-bloc intelligence agents without prior FBI knowledge. Congressional staff members regularly volunteer to the FBI facts regarding their contacts with Soviet-bloc officials and other persons who appear suspicious and who have an undue interest in sensitive material. Soviet-bloc officials often make efforts to recruit sources and influential contacts on Capitol Hill through whom they may obtain sensitive information. When the FBI learns of such instances it advises the appropriate Congressman and, if he has no objection, the FBI may interview the staff member or, in some instances, consider utilization of him in an operation, controlled by the FBI, aimed at determining the reason for the individual's interest. These operations are undertaken between the FBI and the Congressman or staff member with an understanding of confidentiality and sometimes involve sensitive sources and methods. To furnish such information to the House Committee, it is felt, will not only violate the understanding of confidentiality the FBI has had with the Congressman and staff members involved, but may also jeopardize the sensitive sources and methods which were utilized in some of these cases, and have a detrimental effect on our future ability to fulfill our foreign counterintelligence responsibilities.

The attached letter to Congressman Pike, therefore, advises that for the reasons listed above, the FBI cannot furnish the House Committee with information regarding these individuals who confidentially volunteer to cooperate with the FBI.

A copy of Congressman Pike's letter to Mr. Michael Shaheen, Jr., is attached for information.

CONTINUED - OVER

SECRET

- 2 -

SECRET

Memorandum to Mr. W. R. Wannall  
Re: Allegations of Soviet  
Penetration on Capitol Hill

ACTION:

If you agree, the attached letter will be sent to the Attorney General with the recommendation that the letter be delivered to Congressman Otis G. Pike, Chairman, House Select Committee on Intelligence.

*WRS/PWF*  
*WOB*  
*RM*

*WRS*  
*WOB*  
*NPC*  
*WOB*  
*JSA*  
*RM*

*JAM*  
*JET*

*JAM*

SECRET

- 3 -

OTIS G. PIKE, N. Y., CHAIRMAN

ROBERT M. GONIMO, CONN.  
JAMES V. STANTON, OHIO  
RONALD V. DILLON, CALIF.  
MORGAN F. MURPHY, ILL.  
LES ASPIN, WIS.  
DALE MILFORD, TEX.  
PHILIP H. HAYES, IND.  
WILLIAM LEHMAN, FLA.

ROBERT MCCLOHY, ILL.  
DAVID C. TRILIN, LA.  
JAMES P. JOHNSON, COLO.  
ROBERT W. KASTEN, JR., WIS.

A. CHARLE FIELD, STAFF DIRECTOR  
AARON B. TONNER, COUNSEL

TELEPHONE: (202) 225-9751

Select Committee on Intelligence  
U.S. House of Representatives  
Washington, D.C. 20515

November 5, 1975

Mr. Michael Shaheen, Jr.  
Spec. Counsel for Intel. Coord.  
Department of Justice  
Washington, D.C.

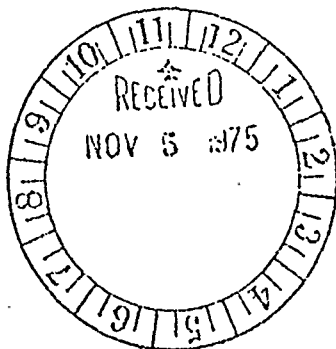
Dear Mr. Shaheen:

In accordance with the telephonic request from Ms. Emily Sheketoff to Mr. William Brannigan, please supply the Committee by the end of business Friday, 7 November 1975, information concerning all alleged and confirmed incidents of Soviet Bloc penetrations within Congressional (both House and Senate, Congressional and committee) staffs. This should include Soviet agents and American citizens and foreign nationals who pass information to enemy intelligence agents.

Cordially,

*Otis G. Pike*  
Otis G. Pike  
Chairman

OGP/ca



62-116964-192  
ENCLOSURE

Mr. J. B. Adams

11/19/75

Legal Counsel

U.S. RECORDING COMPANY;  
HOUSE SELECT COMMITTEE

At 3:29 p.m. on November 19, 1975, John P. Mohr, former Assistant to the Director, telephonically advised me that he had just concluded an interview conducted by Richard Vermeire and Tim Oliphant of captioned committee staff. He said he was not under oath and the interview was not recorded. He was asked concerning the U.S. Recording Company arrangements with the FBI for the purchase of electronic surveillance equipment. He said he told them that a former Assistant Director of the FBI Laboratory, Ed Coffey, apparently had previously made arrangements with U.S. Recording Company for the confidential purchase of electronic surveillance equipment in behalf of the FBI and when Mohr became the Assistant Director of the Administrative Division he simply continued such arrangements. He said he knows of no specific decisions that were made to buy through Tait.

Mohr approved memoranda to the Attorney General from time to time requesting authorization to make purchases of \*equipment when the amounts involved were of such size as to require Departmental authorization, but he did not see or sign written purchase orders made through the U.S. Recording Company. He said that he was aware that Tait had treated Bureau purchases as confidential and in the past Tait has not divulged Bureau interests.

\*electronic surveillance

He said that Tait's usual fee for handling purchases was a 10 to 15% mark-up plus a reasonable labor charge in cases where modification of equipment was necessary. He was asked whether Tait was paid as a confidential source of the Bureau. Mohr first denied that, but then considered

- 1 - 62-116464 (House Select Committee)
- 1 - Mr. Wannall
- 1 - Mr. Bassett
- 1 - Mr. Hotis
- 1 - Mr. Mintz

JAM:mfd

62-116464  
NOV 20 1975  
FBI - MEMPHIS  
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Memorandum to Mr. Adams  
Re: U.S. Recording Company

the fact that Tait's company was used as a "cut out" and that the fee paid to Tait for such service could have been considered payments made to a confidential source for services rendered. He was asked whether Tait had charged a 30% mark-up as alleged by Martin Kaiser. Mohr said he was not aware of instances involving a 30% mark-up and if such occurred it would have been in excess of the usual fee paid to Tait.

Mr. Mohr said that he was confronted by Vermeire and Oliphant with statements allegedly made by William Harward of the Laboratory which seemed to imply that the Laboratory referred the requests to purchase equipment to the Administrative Division and that Mohr authorized purchases through U.S. Recording. Mr. Mohr indicated that the arrangements for purchasing through U.S. Recording were based on Laboratory Division requests and not on Administrative Division or his own requests. He commented that in regard to testimony by Martin Kaiser, it appeared that the FBI Laboratory had made arrangements to purchase material confidentially through U.S. Recording Company and then went directly to the Martin Kaiser Company, specifying the purchase order requests, and thereby revealing the FBI as a purchaser from Kaiser. He said that such direct contact by the Laboratory made the arrangements with U.S. Recording Company appear to be unnecessary and difficult to explain.

Mr. Mohr said that they did not indicate to him whether he would be called as a witness before the Committee.

RECOMMENDATION:

For information.